

EXHIBIT A

Dear (DEPARTMENT DIRECTOR):

As (title) of the (name of activity) of the (name of department), I am cognizant of the importance of internal controls. I have taken necessary measures to assure that the evaluation of the internal control structure of (name of activity) has been conducted in a conscientious and thorough manner in accordance with the General Framework, issued by the DMB, in consultation with the Auditor General.

Objectives of the internal control structure are to provide reasonable assurance that measures are being used to:

- Develop reliable financial reports.
- Promote effective and efficient operations, including the safeguarding of State assets.
- Encourage compliance with applicable laws, rules, and regulations (including prescribed managerial policies).

The concept of reasonable assurance recognizes the cost of internal control should not exceed benefits expected to be derived therefrom, and that the benefits consist of reductions in risks of failing to achieve stated objectives. Estimates and judgments are required to assess expected benefits and related costs of control procedures. Errors or irregularities may occur and not be detected due to inherent limitations in any internal control structure, including those resulting from resource constraints or legislative restrictions. Projection of any evaluation of the internal control structure to future periods is subject to the risk that procedures may be inadequate due to changes in conditions or the degree of compliance with procedures may deteriorate.

Results of the evaluation, performed in accordance with the guidelines identified in the first paragraph, and other information provided indicate the internal control structure of (activity) in effect during the year ended (date) complies with the requirement to provide reasonable assurance that above-mentioned objectives were achieved within limits described in the preceding paragraph. The evaluation, however, did discover the following material weaknesses¹:

(LIST OF MATERIAL WEAKNESSES)¹

Attachment to this report contains the department's plans and time schedules for correcting such weaknesses,¹ and the status of actions taken to correct weaknesses identified in prior years' reports.²

(SIGNATURE, ACTIVITY LEVEL OWNER)

¹ If there are no material weaknesses, this sentence should be deleted, and there would be no list or portion of Attachment A containing plans and time schedules for correcting such weaknesses.

² If there were no actions taken during the past year to correct weaknesses, or no identified weaknesses for which corrective actions remain to be taken, this phrase would be deleted.